Attention Lynn Kunzler: Aug, 01-05

Lynn,

I would like to request an extension on the matter of the Dove Creek Quarry being out of compliance. I will be meeting with the Forest Service on the 23 of Aug. to go over the Amendment to the mining plan. I will have some of the Amendment ready for you to review on the 23rd. I believe it will take no longer then 30 day for me to finish. The area of concern is addressed in the Amendment.

Thank you for your consideration.

Jerry Cates

Dove Creek Quarries LLC

Operation Manger Cell 360-904-2470 Jcates56@juno.com

RECEIVED
AUG 1 6 2005

DIV. OF OIL, GAS & MINING

Hi Lynn,
Here is the letter I sent to Scott. If this is OK I will meet with them on the week of the 22^{nd.} I am learning the map program. Slow be getting better. Should have you a draft in two weeks. I need the link address for the maps you said I can get.

Thanks

Jerry

Jcates 56@juno.com

Cell 360-904-2470

Scott C. Nannenga Minidoka District Ranger 3650 South Overland Ave. Burley, ID. 83318-3242

Ref. Notice of Noncompliance

Dear Mr. Nannenga:

This letter is to address your letter of noncompliance received on July 13th, 2005. Dove Creek Quarries LLC has recently signed an agreement to take over the mining operations in Clarks Basin. I have been talking to Lynn Kunzler with Division of Oil, Gas and Mining in regards to the area of disturbance and we have both come to the same conclusion. That is to make the quarry meet our needs better and avoid unnecessary future disturbed areas, we are going to revise the plan in hand and try to keep most of the disturbed area in one place. This will do several things, first to shorten the roads needed in the area to help reduce traffic in and through the quarries. Second, to cut operational cost from moving all over the hillsides causing unneeded reclamation expense.

I am sending you an outline of our proposal in draft form. This will give you an idea of the direction we are going. We will start to reclaim the areas in the proposal this fall under the direction of Lynn of DNR and your office. I have already talked to Steve Flock in your office regarding the soil needed for this reclamation. We will need your approval to use this and also a method called Live Haul Soil. This is where we move the soil from the new areas to the old areas for reclamation. It will take my office and working with Lynn's office more then the month to finial the plan. I can and will keep you updated on our progress. I would be glad to meet with you at your office the week

of the 22nd to show you our progress.

In regard to the country class D haul road that leads to Dove Creek Pass country road. We have been adding a screened 3"-0 from the waste piles in the quarry to help reduce the wear and tear to the trucks coming and going from the quarry. The road was not passable and we had at two times a truck slid off the road. We had in one week alone 12 flats and replaced two broken springs and hangers. The road was not upgraded, but maintained. There is more of the road that will need to be maintained and would like your approval to do so. The 3"-0 was placed only on the worse areas and we would like to continual that process. The MSHAW inspector stated that the road needed to be

Utah Quartzite

maintained for safety and it also helped with dust control. We need to finish the needed maintenance before the rains come to assure safety and maintain our egress and ingress rights.

Please let me know if this meets your approval and I will call you next week.

Thank you,

Jerry Cates 435-871-4459

Cell 360-904-2470

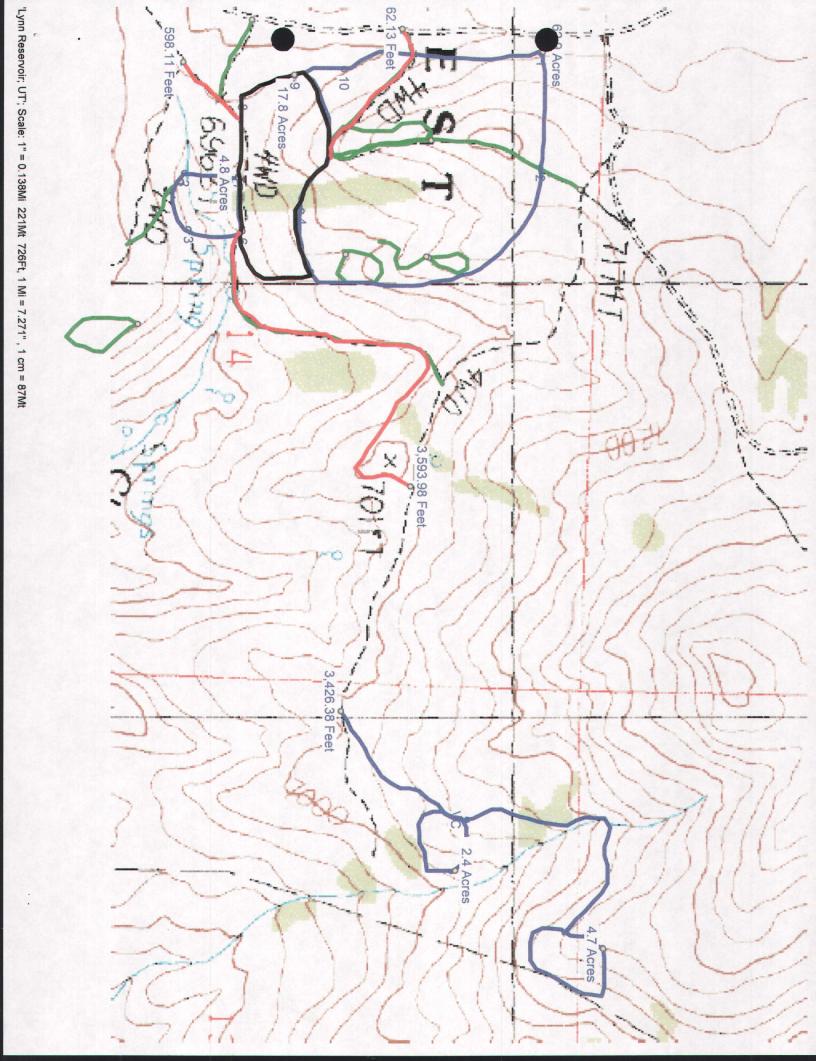
fax 435-871-4230

Dove Creek Quarries LLC

HC 63 Box 0001

Park Valley Ut. 84329

8/04/05



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Table 3 DOVE CREEK QUARRY

Schedule of Operations and Reclamation

2005 Plan

Operation

- A. Main Quarry; Utilize the 3.45 acres, plus expand the main quarry to a total 16 acres. The total acres disturbed at any one time will be 16 acres and DC will reclaim 5 acres before moving the quarry in a north western flow. (As shown on map). Bring in a portable screen or crusher on site to clean piles of waste, create new saleable products and make haul road maintenance material. Some production will be on site and the rest will be hauled off to a local production site. Storage and housing on site included one mobile house trailer, one shop van, and equipment as needed to mine the quarry.
- B. West Quarry; This part of the main quarry will be in the 50 year plan. DC will reclaim this portion and roads leading up to it, until needed. (see map)
- C. Vertical Cloud; This quarry will be used in the summer months to avoid the Grouse restrictions. We will mine it to completion and reclaim as need. Acres total 2.91
- D. Sunshine East Quarry; This quarry will not be mined until the Vertical Cloud is reclaimed. At this time DC will disturb only the area needed to keep in compliance with the reclamation bond. The road to the Sunshine East Quarry will be reclaimed until reopened after the reclamation of the Vertical Cloud Quarry. Future acres 3.2
- E. Deeded Quarry; The Deeded Quarry will be opened to complete the need to open up the floor of the Main Quarry.

Orange Orange

This will be 5 acres to the South side off the Main Quarry. It will be a rolling 5 acres, moving in a Southward direction. (see map) It is on deeded property and will help incorporate the area into a better working environment. We will need to build a temporary building that will be used as a storage/shop. This is to help cut down the loss of tools, tires and parts needed at that site. The size will be approx. 150-250 sq. ft. As the reclamation is done on the Main Quarry their will need to be a road keeping access to the deeded property. This road will be kept in the disturbed area.

F. South Quarry; The South Quarry will be reclaimed and remain a part of the 50 year plan. (see map)

2005-2055

A. Main Quarry; Mine at an average of 12,000 to 20,000 tons yearly.

B. West Quarry; Reclaimed and incorporated into the Main

Quarry.

C. Vertical Cloud; Mine at an average of 2,000 to 4,000 tons yearly.

D. Sunshine East Quarry; Quarried after reclaiming Vertical

Cloud

E. Deeded Quarry; Mined at an average of 2,000 to 4,000 tons yearly.

F. South Quarry; Reclaimed and incorporated into the Deeded

Quarry.

Roads and Haul Routes

- A. The main haul road from the county's Dove Creek Pass road is a Class D county road. It is approx. 2 miles long. Dove Creek Quarries will maintain the road as permitted by law. This road goes through deeded property to the Main Quarry entrance.
- B. Main Quarry entrance road will go ft. to the planned quarry start. This road will go through the Main Quarry and tie into the Deeded Quarry. It will then leave the Deeded Quarry and head North East to the Vertical Cloud Quarry. It will be opened to the Sunshine East Quarry only after the Vertical Cloud is reclaimed. It will end at the Sunshine East Quarry.

C. All other roads will be reclaimed at the end of 2005 that have to do with Dove Creek Quarry mines.

Dove Creek Quarry L.M.O. Plan of Operations

Quarries

Quarry Name	Present Distb.	2005 Rec.	2005-2055 Addtl	Total Amd. Ac.
Main	4.55	0	11.45	16
Dad's	1.65	1.65	0	0
South	2.75	2.75	0	0
Upper	.73	.73	0	0
West	2.74	2.74	0	0
Sunshine	0	0	Transfer from Vertical	
Vertical	<u>0</u>	<u>0</u>	<u>2.1</u>	<u>2.1</u>
	12.42	7.87	13.55	18.1

Present disturbance figures furnished by UDOGM